

ASSESSORS' HANDBOOK
SECTION 577

ASSESSMENT OF GENERAL AIRCRAFT

MARCH 1988

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CALIFORNIA STATE BOARD OF EQUALIZATION

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Reprint Note

This manual has been reprinted with a new format and minor changes for spelling and math errors. The text of the manual has not changed from the prior edition. It has **not** been edited for law, court cases or other changes since the original publication date.

The title was changed from *General Aircraft Assessment Procedure* to *Assessment of General Aircraft* in January 2000.

FOREWORD

This updating of the April, 1972 version of this section of the Assessors' Handbook on general aircraft was necessitated by statutory changes in the Revenue and Taxation Code. The basic appraisal methods remain unchanged.

Verne Walton, Chief
Assessment Standards Division
Property Taxes Department
March 1988

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CHAPTER 1: GENERAL

DEFINITIONS OF GENERAL AIRCRAFT

This handbook section pertains to the general assessment and taxation of aircraft as described in sections 5301-5456 of the Revenue and Taxation Code. Section 5303 defines aircraft as any contrivance designed for navigation of or for flight in the air which has been flown at least once, **except** the following:

1. Aircraft operated exclusively by certificated air carriers.
2. Rockets or missiles.
3. Parachutes or similar emergency safety devices.
4. Air taxis as defined in subdivision (a) of section 1154 of the Revenue and Taxation Code.

Ultra lights, hang gliders, and hot air balloons are examples of less conventional flying contrivances which, once flown, are aircraft within the meaning of section 5303.

TAXATION

All property located in California is assessable unless specifically exempted. Since they have not been exempted, general aircraft are assessable and subject to property tax under California property tax law. General aircraft are taxed where they are habitually located at the same rate and in the same manner as all other taxable personal property. The tax on general aircraft is collected in the same manner as all other personal property taxes. Revenue collected from the taxation of general aircraft, however, is allocated in a different manner than other property tax revenue. See Revenue and Taxation Code sections 5451-5456 in Part 10, Chapter 6, Distribution, page 23.

EQUALIZATION

Assessments of general aircraft are subject to equalization pursuant to Revenue and Taxation Code section 1601 et seq. in the same manner as other assessments on the local roll.

Owners of general aircraft follow the same procedures as other taxpayers if they wish to seek adjustment to the assessed value of their aircraft at equalization hearings.

SITUS

The situs of general aircraft is the location where the aircraft is habitually kept or to which it returns when not in service. This is an example of situs of personal property at a place other than the domicile of the property owner. The reasoning is that an aircraft is located at a specific

airport, not at the owner's residence. The airport may or may not be in the same jurisdiction as the owner's residence.

When an aircraft has two or more airports between which it divides its time when not in use, situs becomes a question of fact to be determined by a quantitative time test. If the time is spent at multiple airports all of which are located in California, then Property Tax Rule 205(b) is used to determine situs. Property Tax Rule 205(b) states:

Aircraft other than those subject to Revenue and Taxation Code sections 1150 to 1155 have situs for taxation purposes at the airport in which they are habitually situated when not in flight. An aircraft that spends a substantial amount of ground time at each of two or more airports has its tax situs at the airport where it spends the greatest amount of ground time.

If an aircraft establishes tax situs both in California and outside California, the guidelines established in *Ice Capades, Inc. v. County of Los Angeles* (1976) 56 Cal. App. 3d 745, and *GeoMetrics v. County of Santa Clara* 127 Cal. App. 3d 940, should be followed. Those guidelines are as follows:

If the aircraft is a California aircraft, the assessment should be apportioned by deducting all time that the aircraft actually established tax situs outside California. If the aircraft is not a California aircraft but is physically present for a sufficient time to establish tax situs here, it should be assessed for the time it is in California.

EXEMPTION

Out-of-state aircraft which are sited in California on the lien date solely for the purpose of undergoing repairs are exempt from property taxation pursuant to section 220 of the Revenue and Taxation Code, which states:

Any aircraft which is in California on the lien date solely for the purpose of being repaired, overhauled, modified, or serviced is exempt from personal property taxation. This exemption does not apply to aircraft normally based in California, or operated intrastate or interstate in and into California.

Virtually all aircraft held as dealers' inventory are flown from the factory to airports located in California. Having been flown at least once, the planes qualify under Revenue and Taxation Code section 5303 as general aircraft. The guidelines for exemption of aircraft as business inventory are the same as for other properties, e.g., to be eligible for the business inventory exemption the aircraft must be either held for sale or lease as of the lien date.

If a dealer is using an aircraft for pilot training or charter, Property Tax Rule 133(b)(3) would exclude that aircraft from exemption. Additionally, Rule 133(b)(5) and (6) would exclude from

the exemption any aircraft held for lease that were used or were intended to be used for pilot training or charter.

Following are some suggestions for verifying whether or not an aircraft is being held for purposes other than sale:

1. A dealer who operates an air taxi service must file Department of Transportation (DOT) Form OST 4507 with the Department of Transportation¹ which is a listing of all aircraft by tail number used in the air taxi service. Whenever there is a change in the dealer's listing of aircraft which are used in the air taxi service an updated form must be filed. A review of an operator's DOT forms will indicate any aircraft committed to air taxi service. Inclusion of an aircraft on the DOT list would be an indication that the aircraft is not held for sale.
2. Review of the flight log – If an aircraft is being used in charter or other commercial service, the operator must maintain a flight log of each commercial flight.
3. Review of engine hours – A new aircraft will typically have about 30 hours of flight time from the factory to the dealer, plus approximately four hours of required engine operation per month. So, allowing for a few hours of flight demonstration to prospective customers, an aircraft that has been in a dealer's hands for three months would typically have 45 to 55 hours of total engine time. Conversely, aircraft being operated in student training or charter service will usually be operated in excess of 50 hours per month.
4. Turnover – The typical time period a dealer requires to sell an aircraft is three months. So, if a dealer has an aircraft for a year or more, it is likely he is using it for purposes not directly associated with the sale of that aircraft.

There will be occasions when a combination dealer/air taxi operator has used an aircraft in his air taxi operations, but on the lien date he is legitimately offering it for sale. In this instance, the aircraft would qualify for the inventory exemption. However, we would suggest that on audit the auditor determine whether the operator resumed air taxi activity with the aircraft after the lien date.

If an aircraft qualifies as business inventory within the meaning of section 129 of the Revenue and Taxation Code and Property Tax Rule 133, the aircraft is exempt from property taxation.

Newly exempted² from property taxation are any aircraft of historical significance, as defined in section 220.5 of the Revenue and Taxation Code. The exemption shall only apply if all of the following conditions are met:

¹ DOT Form OST 4507 replaced CAB Form 298 which was filed every two years with the Civil Aeronautics Board effective January 1, 1985.

² Section 220.5 is applicable to the 1987-88 fiscal year and fiscal years thereafter.

1. The assessee is an individual owner who does not hold the aircraft primarily for purposes of sale.
2. The assessee does not use the aircraft for commercial purposes or general transportation.
3. The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.

Under the provisions of section 217.1, Revenue and Taxation Code, certain aircraft which have been made available for display in a publicly owned aerospace museum, or in an aerospace museum regularly open to the public and operated by a qualified nonprofit organization, shall be exempt from taxation. Specific requirements for qualifying, contained in the language of section 217.1, are found in Chapter 6, Other Revenue And Taxation Code provisions on pages 24-25.

CHAPTER 2: IDENTIFICATION

FEDERAL AVIATION AGENCY NUMBERS

All aircraft except ultra lights, hang gliders, and power hang gliders are registered with the Federal Aviation Agency (FAA), and each such aircraft is identified by an FAA assigned number. Each registered aircraft in the United States has an individual number starting with the prefix "N" (designation for United States aircraft). The number is found on the bottom and sides of the aircraft.

OWNERSHIP

Aircraft ownership is best established by reference to the FAA registration list. A detailed description is presented in Chapter 3, **Federal Aviation Agency Aircraft Lists**. (See next page.)

AIRCRAFT FILE

An aircraft file should be established in each county to assure proper assessment. The file should be organized in a logical sequence, such as by FAA number, and should have property records which contain the following information for each aircraft:

1. Name and address of owner
2. Situs of aircraft
3. Make, model, and year of manufacture
4. List of equipment on aircraft
5. Aircraft and engine time
6. Statement of overall condition
7. Sales data on aircraft
8. Market value recommended by Assessors' Handbook Section 587, *Aircraft Valuation Data*
9. Current final opinion of market value

For aircraft without an FAA number, the file should be arrayed in a logical sequence, such as alpha by owner name.

CHAPTER 3: LOCATING GENERAL AIRCRAFT

AIRPORT OWNERS' AND OPERATORS' REPORTS

Section 5366 of the Revenue and Taxation Code requires owners and operators of public and private airports to annually supply the assessor with lists of aircraft based at their airports. This information may be obtained on Form AH 577-B, List of Aircraft (see page 13).

Airport managers may also supply assessors with the information needed to establish ownership of general aircraft kept at ranches, factories, or private fields.

APPRAISER DISCOVERY

General aircraft may also be discovered from property statements and by field appraisers. This information should be input to the aircraft file to assure complete assessment without duplication. The Federal Aviation Agency number should always be obtained, along with all other available information about the aircraft, its situs, and ownership.

Since ultra lights, hang gliders and power hang gliders do not have an FAA number, they pose a significant discovery problem for assessors. Staff should be made aware of this problem and a discovery program should be established.

FEDERAL AVIATION AGENCY AIRCRAFT LISTS

The State Board of Equalization's Information Management Division receives registration information from the FAA master registration program. Based on information received from the FAA, the Board of Equalization updates the FAA registration list on a monthly basis to show any changes in ownership and situs of aircraft based in California. These monthly changes are supplied by the Board to all 58 counties on tape or in printed form. This monthly transmittal includes a coded description of each aircraft and the zip code number of the aircraft's situs, along with updated names and addresses of registered aircraft owners. The information is arrayed by county of residence.

In addition, the Assessment Standards Division of the State Board of Equalization sends an annual situs listing to each county showing general aircraft reported by the FAA to be registered in the county on the lien date.

CHAPTER 4: APPRAISAL

GENERAL

Market value is the standard of value that applies to general aircraft valuation. The fundamental principles of valuation which are applicable to other property apply equally to general aircraft.

THE MARKET APPROACH

While the cost and income approaches are part of the appraisal process and each may contribute to the value conclusion, the market approach to value is by far the most reliable in the valuation of general aircraft.

The market approach involves an analysis of sales listings, offerings, opinions, and published market value guides of comparable aircraft or of the subject aircraft. Such data give an indication of what people in general are willing to pay for a particular model of aircraft at a certain time.

THE COST APPROACH

The cost approach employs the concept of replacement cost which is an estimate of the cost of replacing an aircraft with a similar one of equivalent utility.

The cost approach, to be useful, must also include an estimate of depreciation. Depreciation on aircraft is so variable that reasonable estimates are difficult.

The cost approach is used mostly with new aircraft that have list prices but no history of sales. The appraiser assumes that cost and value are the same in this circumstance. "Cost" should be understood to include cash selling price, sales tax, and any delivery charges.

A kit aircraft, also referred to as a home built, is an aircraft that is purchased as an unassembled package of parts. The purchaser is responsible for assembling the parts into an airworthy vehicle. Once the kit is assembled and flown, it is an assessable aircraft. If you use the cost approach when valuing a kit aircraft, labor cost to assemble the aircraft must be added as an increment of value.

THE INCOME APPROACH

The income approach is not of assistance in valuing general aircraft.

MARKET VALUE GUIDE

The standards and guides for valuing general aircraft may be found in the Assessors' Handbook Section 587, *Aircraft Valuation Data*. This handbook section has been developed in accordance

with section 5364 of the Revenue and Taxation Code from sales, asking prices, rentals, leases, offers, and other data and is published annually. From these sources, market values for many makes and models of aircraft have been estimated. These market values include sales tax.

Values contained in the *Aircraft Valuation Data* handbook are for general aircraft with **standard equipment** and in **average flying condition**. The appraiser of general aircraft should consider the variables of condition, equipment, engine time, etc., before arriving at a final value conclusion.

The Board's legal staff has written an opinion on the assessors' use of Assessors' Handbook Section 587.

The opinion states that AH 587 is:

...the mandatory starting point for the assessor. The value schedules contained in AH 587 are not absolute since they relate to aircraft with standard equipment and in average flying condition. If a particular plane has optional equipment or if it has been subjected to unusual usage, these facts should be taken into account and the value would vary from that shown in the schedule for the particular type of aircraft....

...We believe they³ indicate a desire by the Legislature to have similar planes valued at similar amounts regardless of location and direct the assessor to rely on the Board's guide to value rather than using arbitrary depreciation schedules or relying on local information. When an assessor varies from the schedule, he should have evidence to substantiate the variance and likewise the aircraft owner should be required to present data proving that a particular plane is not in average condition.

For aircraft models that are not included in Assessors' Handbook Section 587, the cost approach is generally used to establish value. The sales comparison approach is not precluded when valuing unlisted models but usually little or no sales data are available.

³ Revenue and Taxation Code, section 5363 and 5364.

CHAPTER 5: AIRCRAFT FORMS

AIRCRAFT FORM AH 577-A, AIRCRAFT STATEMENT

The form, shown on pages 11 and 12, is a double postcard inquiry card that is folded and mailed to known or probable aircraft owners at any time of the year. Upon receipt of the card, the indicated aircraft owner should detach the half containing his name and address and return to the assessor the preaddressed remaining half with the information requested. This form, properly signed, will provide ownership, situs, and value information.

AIRCRAFT FORM AH 577-B, LIST OF AIRCRAFT

This form, shown on page 13, is used to list all aircraft at an airport. Usually, the forms are supplied several days prior to the lien date. Sufficient copies are given to each airport manager, operator, or lessee to accommodate the number of aircraft under his control. The airport manager must return the report within 15 days of the lien date.

VESSEL OR AIRCRAFT FORM AH 576-A, NOTICE OF ASSESSMENT

The notice, shown on page 15, is used for the following purposes:

1. To notify the owner of record of the assessor's proposed assessed value of a boat or aircraft for the forthcoming year.
2. To obtain information on changes in ownership.
3. To locate the boat or aircraft.

Form AH 576-A is mailed to all owners of aircraft and vessels as shown by the assessor's records prior to the lien date each year.

AIRCRAFT FORM AH 260-A, MUSEUM EXEMPTION CLAIM

Pages 17 and 18 display this form. The form is used to claim exemption from property tax for aircraft on display in a publicly owned aerospace museum, or an aerospace museum that is regularly open to the public and operated by a qualifying nonprofit organization. See Revenue and Taxation Code, section 217.1.

AIRCRAFT FORM AH 260-B, HISTORICAL EXEMPTION CLAIM

Shown on pages 19 and 20, this form is used to claim exemption from property tax for aircraft of historical significance. See Revenue and Taxation Code, section 220.5.

It is important to note that claim forms AH 260-A and AH 260-B must be signed by the claimant in the presence of the assessor, his deputy, or a notary public.

AIRCRAFT FORM AH 577-A (Front)

AIRCRAFT STATEMENT	
F.A.A. No. _____	Located at _____
Make _____	Model _____ Serial No. _____
Year Built _____	Air Hrs. _____ Rebuilt _____ Hrs. SMOH _____
Date Purchased _____	Purchase Price _____
Extra Equipment _____	
<hr/>	
ENGINE(S): Make _____	Yr. Built _____
Model No. _____	Horsepower _____ Air Hrs. _____
Re-Engined _____	Date _____ Hrs. SMOH _____
<hr/>	
If aircraft has been sold, give date of bill of sale and new owner's name below.	
Name(s) _____	Bill of Sale Date _____
Address(es) _____	
<hr/>	
REMARKS: _____	
<hr/>	
<i>I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, is true, correct and complete to the best of my knowledge and belief.</i>	
Signature _____ Date _____	
Address _____	
<hr/>	
SBE-ASD AH 577-A 8-3-81	

JOHN R. DOE
COUNTY ASSESSOR
Bayfair County
2212 Fourth St.
Bayfair, CA 90016

STAMP

IMPORTANT NOTICE
FROM THE ASSESSOR
PLEASE READ

AIRCRAFT

MR. RICHARD TAXPAYER
6130 TENTH STREET
BAYFAIR, CA 90016

AIRCRAFT FORM AH 577-A (Back)

AIRCRAFT	<div style="border: 1px solid black; width: 100px; height: 60px; margin: 0 auto 20px auto; display: flex; align-items: center; justify-content: center;">STAMP</div> <div style="margin: 0 auto;">JOHN R. DOE COUNTY ASSESSOR Bayfair County 2212 Fourth St. Bayfair, CA 90016</div>
<p>Dear Sir:</p> <p style="margin-left: 40px;">Please fill in the attached card and return to this office within 10 days.</p> <p style="margin-left: 40px;">Your immediate reply will help us to classify your aircraft and to arrive at a fair and equitable value.</p> <p style="margin-left: 40px;">You may call at this office personally to furnish the information requested on the attached card.</p> <p style="text-align: right; margin-right: 100px;">Thank you,</p> <p style="text-align: right; margin-right: 100px;">John R. Doe Assessor</p> <p>SBE-ASD AH 577-A 8-3-81</p>	

ASSESSOR'S OFFICE

**AIRCRAFT FORM AH 577-B
LIST OF AIRCRAFT**

COUNTY OF _____

TO OWNERS, OPERATORS, AND LESSEES OF PRIVATE AND PUBLIC AIRPORTS: Section 5366 of the Revenue and Taxation Code requires that you complete this form and return it to the Count Assessor within 15 days following the first day of March.

F.A.A. NUMBER (N)	MAKE	MODEL	YR.	OWNER	ADDRESS
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
15					
17					
18					
19					
20					
21					
22					
23					

The above is a complete list, as of the first day of March, of all helicopters, gliders and aircraft of every kind which are habitually kept or located at this place of business, airport or landing field and any kept elsewhere but under my control. This list also includes all of the foregoing whether or not they are numbered by the F.A.A., dismantled, stored, experimental, unlicensed, or under construction or modification.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, is true, correct and complete to the best of my knowledge and belief.

NAME _____ ADDRESS _____

SIGNATURE _____ TELEPHONE () _____ DATE _____

SBE-ASD AH 577-B 8-3-81

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.

AIRCRAFT FORM AH 576-A (Front and Back)

Front

<p>JOHN R. DOE, COUNTY ASSESSOR Bayfair County 2212 Fourth St. Bayfair, CA 90016 Phone 445-2314 Ext. 349</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center;">IDENTIFICATION NO.</td></tr><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">TAXABLE VALUE</td></tr><tr><td style="height: 20px;"></td></tr></table> <p style="text-align: center;">IMPORTANT ASSESSMENT NOTICE</p> <p><i>All property is assessed at 100 percent of full cash value, except for certain vessels (see below).</i></p> <p><i>Please read reverse side of this notice. Complete appropriate section and return this card in 10 days.</i></p> <p style="text-align: center;">OVER</p>	IDENTIFICATION NO.		TAXABLE VALUE		<div style="border: 1px solid black; width: 100px; height: 60px; margin: 20px auto; text-align: center; line-height: 60px;">STAMP</div> <p style="text-align: center;">MR. RICHARD TAXPAYER 6130 TENTH STREET BAYFAIR, CA 90016</p>
IDENTIFICATION NO.					
TAXABLE VALUE					

Back

IMPORTANT - PLEASE READ	
<p>The purpose of this notice is to inform you of the assessor's estimate of the value of a vessel or aircraft which our records indicate is owned by you.</p> <p>WHAT TO DO WITH THIS NOTICE....</p> <ol style="list-style-type: none">1. If still owned - Sign and return this card, giving location of vessel or aircraft, and explain any modification of motor, hull, or frame.2. If sold - Complete appropriate section; sign and return this card.3. If removed from this county - Complete appropriate section; sign and return this card. <p style="text-align: center;">THIS CARD MUST BE RETURNED WITHIN 10 DAYS</p> <p>Veterans claiming exemption must file a "Claim for Veteran's Exemption" by April 15. Vessels that are engaged or employed exclusively for taking and possession of fish or other living resources of the sea for commercial purposes, instruction or research studies as an oceanographic research vessel, or carrying or transporting seven or more people for hire for commercial passenger fishing purposes may be eligible for 4 percent vessel assessment. Please contact your assessor for additional information.</p>	
SOLD	PERMANENTLY REMOVED FROM THIS COUNTY
Bill of sale date	Date of Removal
Name of New Owner	Present Address
Address	City
City	State
Exact Location of Vessel or aircraft	
Explanation or Remarks	

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE _____ DATE _____

SBE ASD AH 576A 8-3-81

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AIRCRAFT FORM AH 260-A (Front)

**19 _____ CERTIFICATE AND AFFIDAVIT FOR EXEMPTION OF CERTAIN AIRCRAFT
CLAIM FOR EXEMPTION FROM PROPERTY TAXES UNDER SECTION 2
OF ARTICLE XIII OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND
SECTION 217.1 OF THE REVENUE AND TAXATION CODE**

(See also Sections 255 and 260 of the Revenue and Taxation Code.)

This claim must be filed before the Assessor by 5:00 p.m., March 15.

State of California, County of _____

CERTIFICATE - AIRCRAFT

I understand that to apply for an exemption from property taxation under the provisions of Section 217.1 of the Revenue and Taxation Code the affidavit listing an aircraft which is required to be filed before an assessor must be accompanied by this certificate signed by the director of a publicly owned aerospace museum or by an officer of an aerospace museum regularly open to the public and operated by a nonprofit organization qualified for exemption pursuant to Section 23701d of the Revenue and Taxation Code to which the aircraft was made available for display.

The aircraft described below was made available for display from _____, 19____ to _____, 19____ (If more than one aircraft is covered by this certificate, they may be listed on an attachment. The director is then to sign this certificate and each attached sheet.)

I certify (or declare) under penalty of perjury under the laws of the State of California that the information contained herein is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF DIRECTOR OR OFFICER _____ DATE _____

DIRECTOR OR OFFICER OF _____

PUBLICLY OWNED AEROSPACE MUSEUM OR AEROSPACE MUSEUM
OPEN TO PUBLIC AND OPERATED BY A NONPROFIT ORGANIZATION

LOCATED AT _____ ADDRESS _____

THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION

AFFIDAVIT FOR EXEMPTION OF CERTAIN AIRCRAFT

Under the provisions of Section 217.1, Revenue and Taxation Code, certain aircraft which have been made available for display in a publicly owned aerospace museum, or in an aerospace museum regularly open to the public and operated by a nonprofit organization qualified for exemption pursuant to section 23701d of the Revenue and Taxation Code for a minimum period of 90 days during the 12-month period immediately preceding March 1 or for less than 90 days immediately preceding March 1, but which will be made available for 90 days during the 12-month period commencing with the first day the property was made available shall be exempt from taxation.

1. Name of Claimant _____
2. Address of claimant _____ Telephone Number (____) _____
3. Location of the aircraft as of 12:01 a.m., March 1 _____

4. Aerospace museum to which the property was made available for display:
Name _____
Street _____
City, county, state _____
Director's or officer's name _____

5. Nature of the aircraft for which the exemption is claimed: (Check the appropriate box(es); numerous aircraft may be listed on a separate sheet in a manner that complies with questions 5 and 6.)

- ☐ Aircraft which have been restored or maintained, whether currently certified or not for flight purposes.
- ☐ Aircraft donated in perpetuity to the aerospace museum.

6. Describe the aircraft in sufficient detail to identify (make, model, year and FAA or tail number) _____

7. Claimant does not hold the aircraft claimed herein primarily for purposes of sale.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

X _____
SIGNATURE DATE
Subscribed and sworn before me this _____ day of _____, 19____.
_____, Assessor
By _____
DEPUTY

AIRCRAFT FORM AH 260-A (Back)

PROVISIONS OF THE REVENUE AND TAXATION CODE

217.1. (a) Except as provided in subdivision (d), the following articles of personal property which have been made available for display in a publicly owned aerospace museum, or an aerospace museum which is regularly open to the public and which is operated by a nonprofit organization which has qualified for exemption pursuant to Section 23701d, shall be exempt from taxation:

- (1) Aircraft which have been restored or maintained, whether currently certified or not for flight purposes.
- (2) Aircraft donated in perpetuity to the aerospace museum.

(b) When making a claim for an exemption pursuant to this section, a person claiming the exemption shall give all information required and answer all questions in an affidavit, and shall subscribe and swear to the affidavit before, at the election of the claimant, either the assessor or a notary public. The assessor may require other proof of the facts stated before allowing the exemption. The affidavit shall be accompanied by a certificate of the director or other officer of the aerospace museum in which the property for which an exemption is claimed under this section was made available for display that the property was available for public display in the aerospace museum for the period specified in subdivision (e).

(c) For the 1984-85 assessment year and each assessment year thereafter, the provisions of Sections 255 and 260 shall be applicable to the exemption provided by this section.

(d) The exemption provided by subdivision (a) shall not apply to any aircraft loaned by any person who holds aircraft primarily for purposes of sale.

(e) The exemption provided by this section shall not apply unless the property was made available for public display in the aerospace museum for a period of 90 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the property was first made available for public display less than 90 days prior to the lien date, the exemption may be granted if the person claiming the exemption certifies in writing that the property will be made available for public display for at least 90 days during the 12-month period commencing with the first day the property was made available for public display.

(f) For purposes of this section, "regularly open to the public" means that the aerospace museum was open to the public not less than 20 hours per week for not less than 35 weeks of the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the aerospace museum has been open for less than 35 weeks during the 12-month period immediately preceding the lien date or for less than 20 hours per week during that period, the exemption may be granted if the director or other officer of the aerospace museum certifies in writing that the aerospace museum will be open for not less than 20 hours per week for not less than 35 weeks during the 12-month period beginning with the date the aerospace museum was first opened.

(g) If a person certifies in writing that the property will be made available and the aerospace museum open for the periods specified in subdivisions (e) and (f), and the property is not so made available or the aerospace museum is not so opened, the exemption shall be canceled, and an escape assessment may be made as provided in Section 531.1.

(h) The exemption provided by this section shall be applicable for the 1979-80 fiscal year and each fiscal year thereafter. With respect to property otherwise qualifying for the exemption provided by this section in the 1979-80 fiscal year to 1983-84 fiscal year, inclusive, any tax or penalty or interest thereon for those fiscal years shall be canceled if an appropriate claim for exemption has been filed on or before March 1, 1985.

255. TIME TO FILE AFFIDAVITS . . . Affidavits required for exemptions named in this article . . . shall be filed with the assessor between the lien date and 5 p.m. on March 15 . . .

260. NONCOMPLIANCE WITH PROCEDURE. If any person, claiming any exemption named in this article, fails to follow the required procedure, the exemption is waived by the person.

AIRCRAFT FORM AH 260-B (Front)

**19 ____ CLAIM FOR EXEMPTION FROM PROPERTY TAXES
OF AIRCRAFT OF HISTORICAL SIGNIFICANCE AS PROVIDED BY
SECTION 2 OF ARTICLE XIII OF THE CONSTITUTION OF
THE STATE OF CALIFORNIA AND SECTION 220.5
OF THE REVENUE AND TAXATION CODE**

*This Claim must be filed annually with the Assessor by 5:00 p.m., March 31.
(A separate claim form is required for each aircraft)*

State of California, County of _____

This exemption claim is a public record and is subject to public inspection.

Under the provisions of Section 220.5, Revenue and Taxation Code, aircraft of historical significance shall be exempt from taxation only if all of the following conditions are satisfied:

- (1) The assessee is an individual owner who does not hold aircraft primarily for the purposes of sale.
- (2) The assessee does not use the aircraft for commercial purposes or general transportation.
- (3) The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.

For purposes of Section 220.5, "aircraft of historical significance" means any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide.

A fee of thirty-five dollars (\$35) shall be charged and collected by the assessor upon the initial application for an exemption pursuant to this section.

1. Name of Legal Owner of Aircraft _____
2. Name of Claimant (if different than above) _____
3. Address of Claimant _____ Telephone Number (____) _____
4. Location of the aircraft as of 12:01 a.m., March 1 _____
5. The aircraft was or will be available for display on the date(s) and at the location(s) shown in the Schedule of Displays on the reverse of this form.
6. Nature of the aircraft for which the exemption is claimed: Describe the aircraft in sufficient detail to identify (make, model, year and FAA or tail number). _____

(Check the appropriate box) ☐ Original; ☐ Restored; ☐ Replica; ☐ Fewer than Five

7. Claimant does not hold the aircraft claimed herein primarily for purposes of sale, commercial purposes or general transportation.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

X _____
Signature Date
Subscribed and sworn before me this _____ day of _____, 19 _____
_____, Assessor
By _____
DEPUTY

SBE-ASD AH 260B FRONT 10-6-87

AIRCRAFT FORM AH 260-B (Back)

Schedule of Displays			
Date(s)	Display Location(s)	Name of Owner of Display Site	Telephone Numbers
			()
			()
			()
			()
			()
			()
			()
			()
			()
			()
			()
			()
			()

PROVISIONS OF THE REVENUE AND TAXATION CODE

220.5 (a) Aircraft of historical significance shall be exempt from taxation.

(b) The exemption provided in subdivision (a) shall only apply if all of the following conditions are satisfied:

(1) The assessee is an individual owner who does not hold the aircraft primarily for purposes of sale.

(2) The assessee does not use the aircraft for commercial purposes or general transportation.

(3) The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.

(c) When claiming an exemption pursuant to this section, the claimant shall provide all information required and answer all questions contained in an affidavit furnished by the assessor. The claimant shall sign and swear to the accuracy of the contents of the affidavit before either a notary public or the assessor or his or her designee, at the claimant's option. The assessor may require additional proof of the information or answers provided in the affidavit before allowing the exemption.

(d) For purposes of this section, "aircraft of historical significance" means any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide.

(e) A fee of thirty-five dollars (\$35) shall be charged and collected by the assessor upon the initial application for an exemption pursuant to this section.

38E-ASD AH 260B BACK 10-8-87

CHAPTER 6: REVENUE AND TAXATION CODE – AIRCRAFT ASSESSMENT AND TAXATION

PART 10, CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

5301. Legislative intent; uniform tax on aircraft. It is the intent of the Legislature in enacting this part to provide for a uniform countywide system of ad valorem taxation of all aircraft in this State, regardless of where the aircraft is based in the State.

5302. Construction. Except where the context otherwise requires, the definitions given in this chapter govern the construction of this part.

5303. "Aircraft."

- (a) "Aircraft" means any contrivance used or designed for the navigation of or for flight in the air which has been flown at least once, other than a parachute or similar emergency safety device.
- (b) "Aircraft" does not include any of the following:
 - (1) Rockets or missiles.
 - (2) Aircraft operated exclusively by an air carrier or foreign air carrier as defined in subdivisions (3) and (19) of section 101 of Title 1 of the "Federal Aviation Act of 1958" (P.L. 85-726; 72 Stat. 731) engaged in air transportation as defined in subdivision (10) of the same section while there is in force a certificate or permit issued by the Civil Aeronautics Board of the United States, or its successor, or a certificate or permit issued by the California Public Utilities Commission, or its successor, authorizing such air carrier to engage in such transportation.
 - (3) Air taxis as defined in subdivision (a) of section 1154.

5304. "In this State." "In this State" means within the exterior limits of the State of California, and includes all territory within these limits owned by or ceded to the United States of America.

PART 10, CHAPTER 2. EXEMPTIONS

5331. Aircraft owned by United States or foreign government. Aircraft owned by the United States, by any foreign government, or by a consul or other official representative of any foreign government, are exempt from personal property taxation.

5332. Aircraft owned by this State or political subdivision. Aircraft owned by this State or by any county, city and county, city, district, political subdivision, public corporation or authority of this State are exempt from personal property taxation.

PART 10, CHAPTER 3. ASSESSMENT

5362. Assessed where habitually situated. The assessor of the county in which the aircraft is habitually situated shall assess the aircraft at its market value.

5363. Market value. In assessing aircraft, the county assessor shall determine the market value of the aircraft in accordance with standards and guides to the market value of aircraft prescribed by the board. In determining the market value of aircraft the assessor shall not take into account the existence of any custom or common method, if any, in arriving at the market value of any class or classes of aircraft.

5364. Board to establish assessment standards. The board shall establish standards and fix guides to be used by the county assessor in the assessment of aircraft at market value.

5365. Statement. Upon request of the assessor of the county in which an aircraft is habitually based, the owner shall file with him a statement setting forth the make, model and year of manufacture of the aircraft.

5366. Airport operators required to file statement. Owners, as well as operators, of private and public airports shall, within 15 days following the lien date of each year, provide the assessor of the county in which the airport is situated with a statement containing a list of names and addresses of the owners, and the make, model, and aircraft registration number, of all aircraft which were using the airport as a base. The assessors of each county shall, not later than July 1, 1970, and not later than the first day of July of each year thereafter, provide the California Department of Aeronautics a statement containing a list of names, addresses of owners, make, model, aircraft registration number and assessed value of all aircraft which were using airports in the county as a base.

5367. Penalty; failure to file statement. If any person who is requested to file a statement pursuant to section 5365 fails to file such statement by the time specified by the assessor, a penalty of 10 percent of the market value of the unreported aircraft shall be added to the value of the aircraft of such person which is placed on the current roll.

If the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the statement was due to reasonable cause and not due to willful neglect, it may order the penalty abated; provided, that the assessee has filed with the county board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

If the penalty is abated, it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

PART 10, CHAPTER 4. LEVY

5391. Rate of tax. For the 1980-81 fiscal year and each fiscal year thereafter, aircraft subject to this part shall be taxed at the same rate and in the same manner as all other personal property. Aircraft which are considered business inventories, within the meaning of section 129 of the Revenue and Taxation Code, shall be included in the inventory exemption.

5392. Collection. The tax on aircraft subject to this part shall be collected in the same manner as all other personal property.

PART 10, CHAPTER 6. DISTRIBUTION

5451. Method of distribution. The revenue derived from any tax levied pursuant to this part shall be distributed as prescribed in this chapter.

5452. One-third each to city, school districts and county. If the aircraft are habitually based in a city and any school districts, the proceeds shall be distributed one-third to the city, one-third to the school districts, and one-third to the county.

5453. One-half each to school districts and county. If the aircraft are habitually based outside of a city, but in any school districts, the proceeds shall be distributed one-half to the school districts and one-half to the county.

5454. Equal distribution between elementary and high school districts. If the aircraft are habitually based in an elementary school district and a high school district, the proceeds allotted to school districts shall be divided equally between the elementary school district and the high school district.

5455. Legislative purpose; excludes other educational districts. It is the purpose of this chapter to divide the proceeds allotted to school districts equally between districts supporting elementary schools and districts supporting high schools, excluding all other educational districts.

5456. Details of distribution method supplied by county auditor. The details of the method of distribution shall be supplied by the county auditor and shall fairly carry out the purpose of this chapter.

OTHER REVENUE AND TAXATION CODE PROVISIONS

213.6. Organizations incorporated by Act of Congress.

- (a) Personal property owned and operated by an organization incorporated by an act of the United States Congress whose purposes are to provide adequate facilities to assist in meeting local and national emergencies and to promote the public welfare and provide aviation and aerospace education and training which is used exclusively for those

purposes shall be exempt from taxation, provided that the organization qualifies for exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

- (b) This section shall be effective commencing with the lien date in 1986.
- (c) This section shall remain in effect to and including the lien date in 1995, after which it shall become inoperative. This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

217.1. Personalty available for display in aerospace museum.

- (a) Except as provided in subdivision (d), the following articles of personal property which have been made available for display in a publicly owned aerospace museum, or an aerospace museum which is regularly open to the public and which is operated by a nonprofit organization which has qualified for exemption pursuant to section 23701d, shall be exempt from taxation:
 - (1) Aircraft which have been restored or maintained, whether currently certified or not for flight purposes.
 - (2) Aircraft donated in perpetuity to the aerospace museum.
- (b) When making a claim for an exemption pursuant to this section, a person claiming the exemption shall give all information required and answer all questions in an affidavit, and shall subscribe and swear to the affidavit before, at the election of the claimant, either the assessor or a notary public. The assessor may require other proof of the facts stated before allowing the exemption. The affidavit shall be accompanied by a certificate of the director or other officer of the aerospace museum in which the property for which an exemption is claimed under this section was made available for display that the property was available for public display in the aerospace museum for the period specified in subdivision (e).
- (c) For the 1984-85 assessment year and each assessment year thereafter, the provisions of sections 255 and 260 shall be applicable to the exemption provided by this section.
- (d) The exemption provided by subdivision (a) shall not apply to any aircraft loaned by any person who holds aircraft primarily for purposes of sale.
- (e) The exemption provided by this section shall not apply unless the property was made available for public display in the aerospace museum for a period of 90 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the property was first made available for public display less than 90 days prior to the lien date, the exemption may be granted if the person claiming the exemption certifies in

writing that the property will be made available for public display for at least 90 days during the 12-month period commencing with the first day the property was made available for public display.

- (f) For purposes of this section, "regularly open to the public" means that the aerospace museum was open to the public not less than 20 hours per week for not less than 35 weeks of the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the aerospace museum has been open for less than 35 weeks during the 12-month period immediately preceding the lien date or for less than 20 hours per week during that period, the exemption may be granted if the director or other officer of the aerospace museum certifies in writing that the aerospace museum will be open for not less than 20 hours per week for not less than 35 weeks during the 12-month period beginning with the date the aerospace museum was first opened.

- (g) If a person certifies in writing that the property will be made available and the aerospace museum open for the periods specified in subdivisions (e) and (f), and the property is not so made available or the aerospace museum is not so opened, the exemption shall be canceled, and an escape assessment may be made as provided in section 531.1.
- (h) The exemption provided by this section shall be applicable for the 1979-80 fiscal year and each fiscal year thereafter. With respect to property otherwise qualifying for the exemption provided by this section in the 1979-80 fiscal year to 1983-84 fiscal year, inclusive, any tax or penalty or interest thereon for those fiscal years shall be canceled if an appropriate claim for exemption has been filed on or before March 1, 1985.

220. Aircraft being repaired. Any aircraft which is in California on the lien date solely for the purpose of being repaired, overhauled, modified, or serviced is exempt from personal property taxation. This exemption does not apply to aircraft normally based in California, or operated intrastate or interstate in and into California.

220.5. Aircraft of historical significance.

- (a) Aircraft of historical significance shall be exempt from taxation.
- (b) The exemption provided in subdivision (a) shall only apply if all of the following conditions are satisfied:
 - (1) The assessee is an individual owner who does not hold the aircraft primarily for purposes of sale.
 - (2) The assessee does not use the aircraft for commercial purposes or general transportation.

- (3) The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.
- (c) When claiming an exemption pursuant to this section, the claimant shall provide all information required and answer all questions contained in an affidavit furnished by the assessor. The claimant shall sign and swear to the accuracy of the contents of the affidavit before either a notary public or the assessor or his or her designee, at the claimant's option. The assessor may require additional proof of the information or answers provided in the affidavit before allowing the exemption.
- (d) For purposes of this section, "aircraft of historical significance" means any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide.
- (e) A fee of thirty-five dollars (\$35) shall be charged and collected by the assessor upon the initial application for an exemption pursuant to this section.

224. Personal effects and household furnishings. The personal effects, household furnishings, and pets of any person shall be exempt from taxation.

The phrase "personal effects, household furnishings, and pets" does not include boats, aircraft, vehicles, or personalty held or used in connection with a trade, profession or business or pets so held or used.

For purposes of this section, "pets" mean and include any animals held for noncommercial purposes and not as an investment.

441. Property statement; other information. Every person owning taxable personal property, other than a mobilehome subject to Part 13 (commencing with section 5800), having an aggregate cost of thirty thousand dollars (\$30,000) or more shall file a signed property statement with the assessor. Every person owning personal property which does not require the filing of a property statement or real property shall upon request of the assessor file a signed property statement. Failure of the assessor to request or secure the property statement does not render any assessment invalid.

- (a) The property statement shall be declared to be true under the penalty of perjury and filed with the assessor between the lien date and 5 p.m. on the last Friday in May, annually, or between the lien date and such earlier time as the assessor may appoint.

- (b) If the assessor appoints a time other than the last Friday in May, it shall be no earlier than April 1. In this event the penalty provided by section 463 shall apply if the property statement is not filed with the assessor by 5 p.m. on the last Friday in May or if:
- (1) The property statement is not filed within the time appointed by the assessor; and
 - (2) The assessor has given notice by certified or registered mail, or by first-class mail, properly addressed with postage prepaid, no earlier than 15 days after the time appointed by the assessor of nonreceipt of the property statement within the appointed time. If such notice is given by first-class mail, the assessor shall obtain a certificate of mailing issued by the United States Postal Service verifying the fact and date of mailing of such notice; and
 - (3) The property statement has not been filed with the assessor within 15 days following the date of receipt of such notice, if such notice is given by certified or registered mail, or within 20 days following the date shown on the certificate of mailing, if such notice is given by first-class mail.
- (c) The property statement may be filed with the assessor through the United States mail, properly addressed with postage prepaid. This subdivision shall be applicable to every taxing agency, including but not limited to, a chartered city and county, or chartered city.
- (d) At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his property. In this connection details of property acquisition transactions, construction and development costs, rental income, and other data relevant to the determination of an estimate of value are to be considered as information essential to the proper discharge of the assessor's duties.
- (e) In the case of a corporate owner of property, the property statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign such statements on behalf of the corporation.
- (f) The assessor may refuse to accept any property statement he determines to be in error.

463. Penalty for failure to file statement. If any person who is required by law or is requested by the assessor to make an annual property statement fails to file it with the assessor by 5 p.m. on the last Friday in May, or if, after written request by the assessor, any person fails to file an annual property statement within the time limit specified by section 441 or make and subscribe the affidavit respecting his name and place of residence, a penalty of 10 percent of the assessed value of the unreported taxable tangible property of such person placed on the current roll shall be added to the assessment made on the current roll.

Notice of any penalty added to the secured roll pursuant to this section shall be mailed by the assessor to the assessee at his address as contained in the official records of the county assessor.

If the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the property statement within the time required by section 441 was due to reasonable cause and not due to willful neglect, it may order the penalty abated, provided the assessee has filed with the county board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.